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May19, 2015

professional services agreement

The City of Newport Public Works
169 SW Coast Highway
Newport, Oregon 97365

Attn: Melissa Román

Re: Structural Engineering Fee Proposal for Newport Airport FBO Building
in **Newport, Oregon**

Dear Ms. Román:

DCI Engineers is pleased to present this proposal for structural engineering services for the Newport Airport FBO and T-Hanger Buildings. We understand that this Newport Airport repair project that was ready for bidding was canceled on September 2014. The project now is moving ahead with changes. This proposal includes our Project Description, Scope of Services, Beyond Scope of Services, Summary of Professional Service Fees, and Acceptance of Proposal. If you have questions or comments about any aspect of this proposal, please contact us. Thank you for the opportunity to provide these engineering services.

Project Description

The FBO structure is a metal frame structure with wood roof purlins and wall girts. The original 2014 project included structural upgrades to better meet higher wind loading recommendation made on the repairs. Repairs included steel reinforcing on the building frames to make the building stiffer, and added blocking.

Scope of Services

DCI's proposed scope of engineering services for the package described above includes the following. If additional services are required or some of those listed should be excluded, please inform us so that we may edit our scope and fees accordingly.

1. DCI will revise our drawings showing a replacement roofing system with an added sheet of plywood. We understand that the roofing will be installed by professional roofers, using the manufacture's recommended installation procedures. The gutters will be reused. DCI will revise the calculations for the change in weight of the new system.
2. DCI will review the current DCI structural construction documents, structural analysis and design. DCI will make changes to the documents in preparation for re-bidding the project. Drawings will be prepared using ACAD.
3. Respond to questions or comments from the permitting agency.
4. We understand that the project will be open to a select pool of qualified bidders. DCI will help with the bidding process. We anticipate answering questions that may arise during the bid process by providing the appropriate document clarification or supplementary information.
5. Provide Construction Support Services, including review of the fabricator's submittals, review of laboratory and field test reports, respond to RFIs, field fixes, and site visits as requested. We have included one (1) site visit in the basic design fee; additional visits will be billed on a time and materials basis. Our construction support fees are not intended to cover engineering

effort associated with the correction of "as constructed" field conditions that deviate from the design concept, out-of-scope design changes or structural repairs. If engineering effort is required for these services they will be performed as an additional service.

Beyond Scope of Services (not part of basic services)

1. All geotechnical recommendations, evaluations, and reports; site, property, topographic surveys; site restrictions; fire requirements; cost estimates; non-structural work; etc., shall be performed by others as necessary.
2. Non-destructive/destructive testing, probing, and patching.
3. Special inspection as required in Chapter 17 of the International Building Code.
4. Architectural design.
5. Bracing of electrical equipment, piping, and duct-work.
6. Glazing design.
7. Permitting services, including submitting structural plans, revisions, and plan checks for permit.
8. Demolition or occupant safety plans.
9. Tenant improvement design.
10. Verification of the existing structure.

Summary of Professional Service Fees

Engineering services will be performed and billed on a fixed -fee basis as proposed below. Fixed fees are billed on a percent-complete basis and hourly services will be billed according to DCI's attached Schedule of Expenses. The maximum fee noted for services billed hourly will not be exceeded without prior authorization. Unless noted otherwise, direct project reimbursable expenses are separate from our fees. These include in-house production plotting, reprographic services, courier costs, and travel expenses. These will be billed at 1.10 times the direct cost as noted on the attached Schedule of Expenses.

Engineering design fees are proposed as follows:

1. Revisions to Construction Documents (CD)	\$2,400
2. Construction Support Services & Site Visits	TBD
TOTAL	\$2,400

Reimbursable expenses are listed on the attached schedule of expenses and include reproduction services, production plotting and courier services. We anticipate a budget of \$800. Design services mutually identified to be beyond the normal scope of work will be billed hourly according to DCI's Professional Services Hourly Rate Schedule.

If the client fails to make payments when due or is otherwise in breach of this agreement, DCI reserves the right to suspend services upon written notice to the client. DCI will have no liability to the client for any costs or damages resulting from such suspension of services.

Acceptance of Proposal

Professional services for this project shall be provided according to this letter form agreement and the attached Terms and Conditions. If this proposal contract form is acceptable to you, please

professional
services agreement

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sign where noted and return a copy for our records. Our insurance carrier requires that DCI have a signed agreement prior to commencing work.
Sincerely,

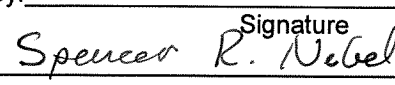
DCI Engineers



Wade Younie, P.E., S.E.

Principal

Approved By:  Date: 05-21-15

Name:  Title: City Manager

Attachments: ☒ Terms and Conditions ☒ Schedule of Expenses ☐ Exhibit A ☐

CONTRACT TERMS AND CONDITIONS

D'Amato Conversano, Inc., herein known as DCI, shall perform the services outlined in this agreement for the stated fee arrangement according to the following Terms and Conditions unless stipulated otherwise by a mutually signed Standard Form of Agreement between DCI and the Client.

APPLICABLE LAWS: Unless otherwise specified, this agreement shall be governed by the laws of the State of Oregon.

DCI CORPORATE RESPONSIBILITY: It is intended by the parties to this Agreement that DCI's services in connection with the Project shall not subject DCI's individual employees, officers or directors to any personal legal exposure for the risks associated with this Project. Therefore, and notwithstanding anything to the contrary contained herein, the Client agrees that as the Client's sole and exclusive remedy, any claim, demand or suit shall be directed and/or asserted only against DCI, a Washington state corporation, and not against any of DCI's individual employees, officers or directors.

FEE: This contract and associated fees are good for 90 days from the contract date to the commencement of substantial work, as reasonably determined by DCI. If for any reason substantial work does not start within 90 days from the contract date, the fees can be renegotiated. If the project's design and construction schedule is substantially delayed beyond a normal and reasonable time period, DCI reserves the right to modify our fee to account for inflation.

BILLINGS & PAYMENTS: Invoices for DCI's services shall be submitted, at DCI's option, either upon completion of such services or on a monthly basis. Invoices shall be considered past due if not paid within 30 days of the invoice date. Failure of the Client to make payment within 30 days is considered a material breach of this agreement, allowing for termination of the agreement by DCI, on five days' notice. Retainers shall be held by DCI and applied to the final invoice.

LATE PAYMENTS: Accounts unpaid 30 days after the invoice date will be subject to a monthly finance charge of 1.5% on the unpaid balance (18.0% true annual rate). In the event any portion or all of an account remains unpaid 90 days after billing, the Client shall pay all costs of collection, including reasonable attorney's fees. It is DCI's policy to utilize Professional Service Liens to help secure payment of accounts that are unpaid 60 days or more.

SUSPENSION OF SERVICES: In addition to other remedies available to it under this agreement, if the Client fails to make payments when due or is otherwise in breach of this agreement, DCI reserves at its sole discretion the right to suspend services upon five calendar days' notice to the Client. DCI will have no liability to the Client for any costs or damages resulting from such suspension.

CLIENT FURNISHED INFORMATION: It is the Client's responsibility to provide DCI with correct site information, including but not limited to legal description, existing building locations and elevations, and geotechnical reports. The Client agrees that DCI may rely upon all information, of whatever type, furnished to it by the Client, or by those retained by or acting for the client. At a minimum, site information shall be provided by a licensed Professional Land Surveyor and soils reports prepared by a licensed Geotechnical Engineer.

DELAY: DCI shall not be liable for any costs or delays resulting in whole or in part from causes beyond the control and without the fault or negligence of DCI or its subconsultants, including, without limitation, stoppages and strikes, acts of God and natural disaster, failure of a public agency to act in a timely manner, and/or acts of the client or anyone or any entity retained by it (other than DCI), including, without limitation, their failure to furnish information in timely fashion and/or their faulty or untimely performance.

STANDARD OF CARE: Services provided by DCI under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances in the location of the project. Upon notice to DCI and by mutual agreement between the parties, DCI may modify those services identified as not meeting such a standard. Such modification of services will be performed without additional compensation.

COST ESTIMATES: Upon request, DCI may provide cost estimates or construction cost data on the basis of experience, judgment and available cost data. Since market conditions and bidding procedures are not consistent from job to job, DCI does not warrant that bids or construction costs will not vary from the information provided by our firm.

CONTINGENCY COSTS: The Client and DCI acknowledge that changes may be required because of possible omissions, ambiguities or inconsistencies in the project plans and specifications and, therefore, that the costs of the project may exceed the construction contract sum. The Client agrees that the Owner or Owner's Agent will budget funds equal to at least 4% of the actual construction costs as a contingency reserve to be used, as required, to pay for any such increased project costs. No claim will be made by way of direct or third-party action against DCI or DCI's consultants with respect to any payments within the limit of the contingency reserve made to the construction contractors because of such changes or because of any claims made by the construction contractors relating to such changes.

INDEMNIFICATION: The Client shall indemnify, and hold harmless DCI and all of its personnel from and against any and all claims, damages, losses and expenses (including reasonable attorney's fees) to the extent arising out of or relating to the sole or contributory negligence, breach of contract and/or strict liability of the Client, anyone directly or indirectly employed by the Client (except DCI), or anyone for whose acts any of them may be liable.

LIMITATION OF LIABILITY: In recognition of the relative risks, rewards and benefits of the project to both the Client and DCI, the risks have been allocated such that the Client agrees that DCI's maximum liability to the Client for any and all injuries to persons or property, claims, losses, expenses, damages, legal fees or costs, and claim expenses, whether arising out of DCI's breach of this agreement, or arising out of DCI's breach of duties owed independent of this agreement, if any, including but not limited to breach of warranty, indemnity, negligence, strict liability, or other tort or statutory cause or causes, or otherwise related to formation of this agreement or services rendered by DCI in connection herewith, or any amendment thereto, shall not exceed ten times DCI's fee or \$500,000, whichever is less. In no event shall DCI be liable to the Client for any indirect, incidental, consequential, or special damages, including, without limitations, lost revenues, lost profits, legal fees, or costs of repair and/or replacement, even if DCI has been advised of the possibility of such damages.

OWNERSHIP OF DOCUMENTS: All documents produced by DCI under this contract are the property of owner.

ALTERNATIVE DISPUTE RESOLUTION: In an effort to resolve any conflicts that arise during or following the completion of the project, DCI and the Client agree that as a condition precedent to any litigation, all disputes arising out of or relating to this Agreement shall be submitted to non-binding mediation under the auspices of the Construction Industry Mediation Rules of the American Arbitration Association unless the parties mutually agree otherwise. DCI and the Client further agree to include the foregoing provision in any and all agreements with independent contracts and consultants retained for the project and to require all independent contracts and consultants to likewise include said provision in their agreements with subcontractors, consultants, suppliers or fabricators so retained.

TERMINATION OF SERVICES: This agreement may be terminated by the Client or DCI should the other fail to perform its obligations hereunder. In the event of termination, the Client shall pay DCI for all the services rendered to the date of termination, all reimbursable expenses, and appropriate termination expenses.

ENTIRE AGREEMENT: This agreement and all documents incorporated herein by reference constitute the complete and final agreement concerning the subject matter hereof. Any representations, terms or conditions not incorporated herein shall not be binding upon either party. This agreement wholly cancels, terminates and supersedes all previous negotiations, commitments, writings, representations, terms or conditions not incorporated herein. The invalidity, in whole or in part, of any part of this agreement shall not affect the remainder of such part or of any other part of this contract.

SCHEDULE OF EXPENSES

DCI ENGINEERS

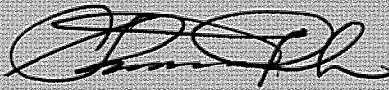
PROFESSIONAL SERVICES

Clerical and Administrative 1000	40\$/hr	Project Manager 3100	100\$/hr
Clerical and Administrative 1010	50\$/hr	Project Manager 3110	120\$/hr
		Project Manager 3120	140\$/hr
Technical Designer 2000	60\$/hr		
Technical Designer 2010	70\$/hr	Senior Project Manager 3200	120\$/hr
Technical Designer 2020	80\$/hr	Senior Project Manager 3210	140\$/hr
Technical Designer 2030	90\$/hr	Senior Project Manager 3220	160\$/hr
Technical Designer 2040	100\$/hr		
		Associate 4000	140\$/hr
		Associate 4010	160\$/hr
		Associate 4020	180\$/hr
Senior Technical Designer 2100	80\$/hr		
Senior Technical Designer 2110	100\$/hr	Associate Principal 4100	140\$/hr
Senior Technical Designer 2120	120\$/hr	Associate Principal 4110	160\$/hr
Senior Technical Designer 2130	140\$/hr	Associate Principal 4120	180\$/hr
Senior Technical Designer 2140	160\$/hr		
Project Engineer 3000	70\$/hr		
Project Engineer 3010	80\$/hr	Principal Engineer 4200	160\$/hr
Project Engineer 3020	90\$/hr	Principal Engineer 4210	200\$/hr
Project Engineer 3030	100\$/hr	Principal Engineer 4220	250\$/hr
Project Engineer 3040	110\$/hr		
Project Engineer 3050	120\$/hr		

REIMBURSABLE SERVICES

Original Plots and Architectural Plotting with Drawing Files			Copies and Architectural Plotting with Plot Files		
Media	Size	Fee	Media	Size	Fee
Bond	A-B Size	\$3.48/Plot	Bond	A Size	\$0.09/Plot
Bond	C Size	\$4.75/Plot	Bond	B Size	\$0.18/Plot
Bond	D Size	\$6.00/Plot	Bond	C Size	\$1.03/Plot
Bond	E-E1 Size	\$9.48/Plot	Bond	D Size	\$1.32/Plot
Vellum	A-B Size	\$5.25/Plot	Bond	E-E1 Size	\$2.09/Plot
Vellum	C Size	\$7.10/Plot	Color	A Size	\$0.95/Plot
Vellum	D Size	\$9.00/Plot	Color	B Size	\$1.50/Plot
Vellum	E-E1 Size	\$14.20/Plot	Color	Scan to File	\$5.00
Mylar	A-B Size	\$8.70/Plot			
Mylar	C Size	\$11.85/Plot			
Mylar	D Size	\$15.00/Plot	Out of Office Services/Expenses		\$1.10x Direct Cost
Mylar	E-E1 Size	\$23.70/Plot	Personnel Transportation		0.55\$/mile

APPROVED AS TO FORM

A handwritten signature in black ink, appearing to be "D. Smith", written over a horizontal line.